

25 Jun 53

Approved for Release 2000/08/29 : CIA-RDP79R00890A000100050007-4

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LIBYA THREATENED WITH DISINTEGRATION

I. Libya's Internal Condition Essentially

Weak:

- A. Libyan unity, established by UN, threatened by Cyrenaican separatism.
- B. People illiterate, economically impoverished and politically immature.
- C. Libya largely dependent on British financial assistance.
- D. Lacks capable administrators.
- E. Libya has, however, a capable pro-Western prime minister, Mahmoud Muntasser.

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II. Libya's Problems:

- A. Its essential weakness naturally generates serious political, economic and administrative problems.
- B. To these are added pressing problems in foreign affairs.
 - 1. Egyptian efforts to influence Libya.
 - 2. Italian interest in a treaty disposing of Italian property.
 - 25X6 3. [REDACTED] French military base agreements.
 - 25X6 4. [REDACTED] French interest in Libya's disintegration.
 - 5. US interest in base agreement.

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III. American Stake in Libya:

- A. US has been unable to get an agreement regularizing use of Wheelus Field outside Tripoli.
- B. This is attributable mainly to Libyan concern for sovereignty and money.
- C. US prepared to immediately pay \$1,000,000, though not required by any law, for use of field in order to strengthen pro-Western prime minister in his conflict with King.
 - 1. US wants Libya to continue in existence.
 - 2. Conflict between prime minister and king, threatening Libya's existence, reportedly resolved.

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- a. Compromise provides for
elimination [REDACTED] 25X6
influence and substitution
of American base negotiations
for current ones [REDACTED] 25X6
- b. Such a compromise, if made,
not likely to end royal
interference and could gener-
ate Anglo-American friction.

IV. Role of Egypt in This Situation:

- A. Seeking a pre-eminent position in
Libya, Egypt extending its influence
over king and his advisers, sending
teachers to the Libyan schools, and
offering financial assistance to the
country.
- B. More ominous, Cairo reportedly
financing terrorist cells in order to
forestall Libyan parliament approval
of base agreements with West.

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V. Conclusion:

- A. Growing Egyptian influence in Libya draws it away from the West.
- B. This influence, adding to disintegrating tendencies at work in Libya, poses another Arab-Western problem.
- C. These developments serve neither American military and political objectives nor UN's moral and political stake in a free Libya.
- D. Libya likely to fall apart or become imbued with anti-Western sentiments.

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